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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

JAMES C. KANG, an individual, on
behalf of himself and all others
similarly situated,

Plaintiff,

v.

WELLS FARGO BANK, N.A. and
DOES 1 through 10, inclusive,

Defendant.

Case No. 5:17-cv-06220-BLF

Assigned to Hon. Beth Labson Freeman

**ORDER GRANTING AMENDED
JOINT MOTION STIPULATING TO
AMENDMENT OF COMPLAINT,
CERTIFICATION OF PLAINTIFF'S
REST BREAK CLAIMS, AND STAY
OF ACTION PENDING DECISION
IN IBARRA MATTER**

Complaint Filed: October 27, 2017

1 PURSUANT TO THE JOINT MOTION STIPULATING TO CLASS
2 NOTICE, AND FOR GOOD CAUSE SHOWN, IT IS ORDERED that:
3

4 1. Consolidate the claims pleaded in the separate class action, *Michael*
5 *Moses v. Wells Fargo Bank, N.A.*, Case No. 3:18 cv 6679 (“*Moses*”), into this
6 action, *James C. Kang v. Wells Fargo Bank, N.A.*, Case No. 5:17-cv-06220
7 (“*Kang*”);

8 2. Enter an amended consolidated complaint, attached hereto as Exhibit 1,
9 which will proceed under the *Kang* case number following consolidation of the
10 *Moses* action, which will be closed;

11 3. Modify the *Kang* class certification order (Docket No. 54) to include as
12 a certified claim the rest period claim currently asserted in *Moses*. Thus, the parties
13 agree that

14 a. Pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure, the
15 certification the Court ordered on February 6, 2016 is amended to certify
16 rest period, vacation pay, and minimum wage claims, and a derivative
17 waiting time penalties claim on behalf of the following class and
18 subclasses:

19 Overall Class

20 All non-exempt employees for Wells Fargo who at any time
21 during the period from October 27, 2013 to the date class notice
22 is mailed (“the class period”) worked for Wells Fargo in
23 California in the job titles of Home Mortgage Consultant, Home
24 Mortgage Consultant, Jr., Private Mortgage Banker, or Private
25 Mortgage Banker, Jr. (collectively “HMCs”) and were subject to
26 the Home Mortgage Consultant or Private Mortgage Banker
27 compensation plans in effect within this time period (“the
28 Class”). HMCs who were hired or rehired on or after December
11, 2015 are excluded from the Class.

1 Minimum Wage Subclass

2 All class members who assert they performed non-productive
3 work tasks for which they received no compensation under the
4 applicable compensation plans in effect within the class period
 ("the Minimum Wage Subclass").

5 Vacation Pay Subclass

6 All class members who utilized paid time off during the class
7 period and whose employment with Wells Fargo terminated
 during that same class period ("the Vacation Pay Subclass").

8 Rest Period Subclass

9 All class members who, during the period from August 2, 2017
10 to March 31, 2018, worked a shift of at least 3.5 hours in a HMC
11 position ("the Rest Period Subclass").

12 Waiting Time Penalties Subclass

13 All class members whose employment with Wells Fargo
14 terminated on or after October 27, 2014 ("the Waiting Time
 Penalties Subclass.")

- 15 b. The Court finds that James Kang and Michael Moses are members of the
16 Class and the proposed subclasses and they can adequately represent the
17 class on the certified claims.
- 18 c. The Court finds there are no issues of adequacy of class counsel or the
19 class representative that would preclude the class certification agreed to
20 herein (should the Court require additional information as to Class
21 Counsel's experience and qualifications, declarations of Joshua H. Haffner
22 and Paul D. Stevens will be provided).
- 23 d. The Court finds that, with the approval of this stipulation, they will meet
24 and confer on class notice, and will submit to the Court a stipulated class
25 notice within thirty (30) days of the date the Court approves this
26 stipulation. In the unlikely event the Parties cannot agree to the specific
27 language of the proposed class notice, they will submit competing
28

1 proposed class notices to the Court. Plaintiff will pay the cost associated
2 with issuing class notice but the cost shall be treated as a recoverable cost
3 available to the class to recover if judgment is entered in favor of the class.

4 4. Stay this action until a final ruling is obtained in the action *Jacqueline*
5 *Ibarra v. Wells Fargo Bank, N.A.*, Case No. 2:17-cv-4344 PA(ASx) (“Ibarra”).”

6 5. Because a decision in the *Ibarra* action is not expected until late 2019
7 or early 2020, the Court will vacate the current trial date, but will set a new trial date
8 pursuant to a Case Management Conference the Court will set after the stay in this
9 action is lifted.

10 6. Nothing in this Order should be read as a waiver of Wells Fargo’s
11 arguments concerning res judicata which it intends to assert in the event that the stay
12 is lifted in this action following the completion of the *Ibarra* litigation.

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15 **IT IS SO ORDERED.**

16 Dated: February 27, 2019

17 

18 BETH LABSON FREEMAN
19 United States District Judge
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EXHIBIT 1

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Kang, Michael Moses and the
Certified Class

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

JAMES C. KANG, an individual,
MICHAEL MOSES, an individual,
on behalf of themselves and all
others similarly situated,

Plaintiffs,

v.

WELLS FARGO BANK, N.A.; and
DOES 1 through 10, inclusive,
Defendant.

Case No. 17-cv-06220-BLF

**FIRST AMENDED CLASS ACTION
COMPLAINT FOR:**

- 1. FAILURE TO PAY MINIMUM WAGES;**
- 2. FAILURE TO PAY VACATION TIME;**
- 3. REST BREAK VIOLATIONS;**
- 4. COMPLAINT FOR P.A.G.A. PENALTIES, Labor Code § 2698 et seq.**
- 5. FAILURE TO PAY ALL WAGES UPON SEPARATION;**
- 6. VIOLATION OF CALIFORNIA'S UNFAIR COMPETITION ACT, BUS. & PROF. CODE §17200, et seq.**

DEMAND FOR JURY TRIAL

Plaintiffs James C. Kang and Michael Moses ("Plaintiffs") are informed and believe, and on that basis allege, as follows:

NATURE OF THE ACTION

1. This is a California state-wide class and representative Private Attorney General Act (“PAGA”) action for wage and labor violations arising out of, among other things, Defendant Wells Fargo Bank, N.A.’s (“Defendant” or “Wells Fargo”) failure to compensate their mortgage sales force in compliance with California law. As more fully described herein, Defendant paid Plaintiffs and class members based on a sales commission, and fails to pay them for all time worked and for vacation pay, fails to compensate for rest breaks, and engages in other Labor Code violations detailed below.

2. Plaintiffs seeks among other things, all wages, restitutionary disgorgement, and statutory remedies.

PARTIES

3. Plaintiff James C. Kang was, at all relevant times, a resident and citizen of the State of California. Plaintiff Kang was employed by Defendant as a mortgage broker in Defendant’s Palo Alto Branch, in the State of California, during the liability period as alleged herein. Plaintiff Kang started with Defendant in approximately October 2000 and, other than a short break in employment in 2011, was employed by Defendant through May 2015.

4. Plaintiff Michael Moses was, at all relevant times, a resident and citizen of the State of California. Plaintiff was employed by Defendant as a mortgage broker in the County of Los Angeles, State of California, during the liability period as alleged herein.

5. Defendant Wells Fargo Bank, N.A. is a bank, that is authorized to conduct and is actually conducting business in the State of California, and that designates its main office in South Dakota.

6. Plaintiffs are currently ignorant of the true names and capacities, whether individual, corporate, associate, or otherwise, of the Defendants sued herein under the fictitious names Does 1 through 10, inclusive, and therefore sue

1 such Defendants by such fictitious names. Plaintiffs will seek leave to amend this
2 complaint to allege the true names and capacities of said fictitiously named
3 Defendants when their true names and capacities have been ascertained. Plaintiffs
4 are informed and believes and thereon alleges that each of the fictitiously named
5 Defendants is legally responsible in some manner for the events and occurrences
6 alleged herein, and for the damages suffered by the Class.

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8 7. Plaintiffs are informed and believes and thereon alleges that all
9 Defendants, including the fictitious Doe Defendants, were at all relevant times
10 acting as actual agents, conspirators, ostensible agents, alter egos, partners and/or
11 joint venturers and/or employees of all other Defendants, and that all acts alleged
12 herein occurred within the course and scope of said agency, employment,
13 partnership, and joint venture, conspiracy or enterprise, and with the express and/or
14 implied permission, knowledge, consent authorization and ratification of their co-
15 Defendant; however, each of these allegations are deemed “alternative” theories
16 whenever not doing so would result in a contradiction with other allegations.

17 **JURISDICTION AND VENUE**

18 8. This Court has jurisdiction over the entire action by virtue of the fact
19 that this is a civil action wherein the matter in controversy, exclusive of interest
20 and costs, exceeds the jurisdictional minimum of the Court. The acts and
21 omissions complained of in this action took place in part in the State of California.
22 At least one Defendant is a citizen of a state outside of California, and federal
23 diversity jurisdiction exists and/or jurisdiction under the Class Action Fairness Act
24 (“CAFA”). The class amount at issue exceeds \$5,000,000 and the jurisdictional
25 minimum of this Court under CAFA. Venue is proper because this is a class
26 action, the acts and/or omissions complained of took place, in whole or in part
27 within the venue of this Court.
28

FACTUAL ALLEGATIONS

9. Plaintiffs and the Class members worked as Home Mortgage Consultants, Private Mortgage Bankers, Home Mortgage Consultant Jr.'s, and/or Private Mortgage Banker, Jr.'s (collectively "HMCs") for Defendant selling mortgages.

10. Under Defendant's pay plan, Plaintiffs and other Mortgage Consultants were paid a monthly commission based on the amount of loans that closed in a given month. Defendant paid Plaintiffs and other Mortgage Consultants at approximately \$12 per hour, but then deducted those advances from the commissions.

11. In violation of Labor Code §§1194 and 1197, Defendant failed to pay Plaintiffs and other HMC's for non-sales work time, including mandatory meetings, loan processing, training and coaching sessions, loan tracking, customer surveys, attending open houses, attending events and galas, and working on "call night."

12. Defendant was also required to pay Plaintiffs and class members vacation time, referred to as Paid Time Off. Defendant made transfers of monies for that time to Class members, but also subtracted or clawed that back from Class members' commission.

13. In violation of Labor Code §226.7, Defendant failed to separately pay Plaintiffs and HMCs for rest breaks, in violation of California law. Judgment was entered against Defendant for rest break violations through August 1, 2017 in the amount of \$97,284,817.91, in the action entitled *Ibarra v. Wells Fargo Bank, N.A.*, United States District Court, Central District of California, Case No. CV 17-4344 PA (ASx). No compensation or damages has been awarded Plaintiffs or the proposed class for rest break violations since August 1, 2017.

14. Defendant's conduct violated, among other statutes, Labor Code §§ 201, 202, 203, 218.5, 226.7, 512, 1197, and 1198, as well as IWC Wage Order No.

1 4-2001.

2 15. Defendant's conduct, as alleged herein, has caused Plaintiffs and
3 Class members damages including, but not limited to, loss of wages and
4 compensation. Defendant is liable to Plaintiffs and the Class for failing to pay
5 minimum wages and vacation pay, as well as failing to pay all wages owed on each
6 pay period, failure to pay all wages owed upon termination, and unfair
7 competition.

8 16. Plaintiffs are members of and seek to be the representatives for the
9 Class of similarly situated employees who all have been exposed to, have suffered,
10 and/or were permitted to work under, Defendant's unlawful employment practices
11 as alleged herein.

12 17. Plaintiffs has provided the required notice of intent to bring this PAGA
13 action. Plaintiffs has complied with all conditions or requirements for bringing suit,
14 save those Defendants have waived, forfeited, and/or are estopped from asserting.

15 **CLASS DEFINITIONS AND CLASS ALLEGATIONS**

16 18. Plaintiffs bring this action on behalf of themselves, and on behalf of
17 all others similarly situated, and as members of the Class defined as follows:

18 All current or former California residents who worked for
19 Defendant as HMCs at any time beginning four (4) years prior
20 to the filing of the original Complaint in the *Kang* action
21 through the date notice is mailed to the Class (the "Class
22 period").

23
24 **REST BREAK SUBCLASS CLASS:** All current or former
25 California residents who worked for Defendant as a Mortgage
26 Consultant at any time beginning August 2, 2017 through
27 March 31, 2018 (the "Class period").
28

1 19. Plaintiffs reserve the right to amend or otherwise alter the class
2 definitions presented to the Court at the appropriate time, or to propose or eliminate
3 sub-classes, in response to facts learned through discovery, legal arguments
4 advanced by Defendant or otherwise.

5 20. This action has been brought and may be properly maintained as a
6 class action pursuant to California Code of Civil Procedure § 382 and other
7 applicable law, as follows:

8 21. **Numerosity of the Class:** Members of the Class are so numerous
9 that their individual joinder is impracticable. The precise number of Class
10 members and their addresses are known to Plaintiffs or will be known to Plaintiffs
11 through discovery. Class members may be notified of the pendency of this action
12 by mail, electronic mail, the Internet, or published notice.

13 22. **Existence of Predominance of Common Questions of Fact and**
14 **Law:** Common questions of law and fact exist as to all members of the Class.
15 These questions predominate over any questions affecting only individual Class
16 members. These common legal and factual questions include:

- 17 a. Whether Defendant's pay plan of advancing an hourly wage against
18 commissions is akin to an interest free loan against the commission.
19 b. Whether Plaintiffs and each member of the Class were not paid
20 minimum wage for each hour worked or part thereof during which they
21 were required to perform acts at the direction and for the benefit of
22 Defendant.
23 c. Whether Plaintiffs and each member of the Class were not paid
24 minimum wage for non-sales time worked during the Class period.
25 d. Whether Defendant failed to pay Plaintiffs and Class members for
26 vacation time, also referred to as Paid Time Off.
27 e. Whether Defendant violated IWC Wage Order No. 4-2001 and Labor
28 Code § 226.7 by engaging in a pattern or practice of failing to properly

1 compensate Plaintiffs and the members of the Class in California during
2 the Class period for rest periods by paying based on a commission,
3 without separately paying Plaintiffs and Class members for rest breaks.

4 f. Whether Defendants engaged in an unfair business practice in violation
5 of Business & Professions Code §17200, et seq., based on the labor
6 practices and Labor Code violations alleged herein.

7 g. The nature and extent of class-wide injury and the measure of damages
8 for the injury.

9 23. **Typicality**: Plaintiffs claims are typical of the claims of the members
10 of the subclasses they represent because Plaintiffs, as a mortgage consultants for
11 Defendant, were exposed and subjected to the same unlawful business practices as
12 other mortgage salespersons employed by Defendant during the liability period.
13 Plaintiffs and the members of the class they represent sustained the same types of
14 damages and losses.

15 24. **Adequacy**: Plaintiffs are adequate representatives of the Class they
16 seek to represent because their interests do not conflict with the interests of the
17 members of the subclasses Plaintiffs seeks to represent. Plaintiffs have retained
18 counsel competent and experienced in complex class action litigation and Plaintiffs
19 intend to prosecute this action vigorously. The interests of members of each Class
20 will be fairly and adequately protected by Plaintiffs and their counsel.

21 25. **Superiority and Substantial Benefit**: The class action is superior to
22 other available means for the fair and efficient adjudication of Plaintiffs and the
23 Class members' claims. The violations of law were committed by Defendant in a
24 uniform manner and class members were exposed to the same unlawful practices.
25 The damages suffered by each individual Class member may be limited. Damages
26 of such magnitude are small given the burden and expense of individual
27 prosecution of the complex and extensive litigation necessitated by Defendant's
28 conduct. Further, it would be virtually impossible for the Class members to redress

1 the wrongs done to them on an individual basis. Even if members of the Class
2 themselves could afford such individual litigation, the court system could not.
3 Individualized litigation increases the delay and expense to all parties and the court
4 system, due to the complex legal and factual issues of the case. By contrast, the
5 class action device presents far fewer management difficulties, and provides the
6 benefits of single adjudication, economy of scale, and comprehensive supervision
7 by a single court.

8 26. The Class should also be certified because:

9 a. The prosecution of separate actions by individual members of the
10 Class would create a risk of inconsistent or varying adjudications with respect to
11 individual Class members which would establish incompatible standards of
12 conduct for Defendant;

13 b. The prosecution of separate actions by individual members of the
14 Class would create a risk of adjudication with respect to them, which would, as a
15 practical matter, be dispositive of the interests of the other Class members not
16 parties to the adjudications, or substantially impair or impede their ability to
17 protect their interests; and

18 c. Defendant has acted or refused to act on grounds generally applicable
19 to the Class, and/or the general public, thereby making appropriate final and
20 injunctive relief with respect to the Classes as a whole.
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FIRST CAUSE OF ACTION
FAILURE TO PAY MINIMUM WAGES
(Violation of Labor Code §§ 510, 1194, 1194.2, 1197; Wage Order No. 4-
2001, §4)
(Against All Defendants)

27. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

28. Labor Code § 510 provides in relevant part: “[e]ight hours of labor constitutes a day’s work.” Labor Code § 1197 provides: “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.”

29. Labor Code § 1194, subdivision (a) provides: “Notwithstanding any agreement to work for a lesser wage, an employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.”

30. Labor Code § 1194.2 provides in relevant part: “In any action under Section 1193.6 or Section 1194 to recover wages because of the payment of a wage less than the minimum wage fixed by an order of the commission, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.”

31. Pursuant to IWC Wage Order No. 4-2001, at all times material hereto, “hours worked” includes “the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, where or not required to do so.”

32. Plaintiffs and Class members were required to work non-selling time, for which they were not compensated, in violation of California’s minimum wage

1 laws. This includes, but is not limited to, including but not limited to, mandatory
2 meetings, loan processing, training and coaching sessions, loan tracking, customer
3 surveys, attending open houses, attending events and galas, and working on
4 certain nights or weekends. Plaintiffs engaged in such non-sales work through his
5 last date of employment in May 2015.

6 33. At all times relevant during the liability period, under the provisions
7 of Wage Order No. 4-2001, Plaintiffs and each Class member should have
8 received not less than the minimum wage in a sum according to proof for the time
9 worked, but not compensated.

10 34. For all hours that Plaintiffs and the Class members worked, they are
11 entitled to not less than the California minimum wage and, pursuant to Labor
12 Code § 1194.2(a) liquidated damages in an amount equal to the unpaid minimum
13 wages and interest thereon. Pursuant to Labor Code § 1194, Plaintiffs and the
14 Class members are also entitled to their attorneys' fees, costs and interest
15 according to proof.

16 35. At all times relevant during the liability period, Defendants willfully
17 failed and refused, and continues to willfully fail and refuse, to pay Plaintiffs and
18 Class members the amounts owed.

19 36. Defendants' unlawful conduct alleged herein occurred in the course of
20 employment of Plaintiffs and all other similarly situated drivers, and Defendants
21 has done so continuously throughout the filing of this complaint.

22 37. As a direct and proximate result of Defendants' violation of Labor
23 Code §§ 510 and 1197, Plaintiffs and other Class members have suffered
24 irreparable harm and money damages entitling them to damages, injunctive relief
25 or restitution. Plaintiffs, on behalf of themselves and on behalf of the Class, seeks
26 damages and all other relief allowable including all wages due while working as
27 Defendants' drivers, attorneys' fees, liquidated damages, prejudgment interest,
28 and as to those employees no longer employed by Defendants, waiting time

1 penalties pursuant to Labor Code § 200 *et seq.*

2 38. Plaintiffs and the Class members are entitled to back pay, pre-
3 judgment interest, liquidated damages, statutory penalties, attorneys' fees and
4 costs, and for Plaintiffs and the Class of members no longer employed, waiting
5 time penalties pursuant to Labor Code § 1194.
6

7 **SECOND CAUSE OF ACTION**
8 **FAILURE TO PAY VACATION TIME**
9 **(Violation Of Labor Code § 227.3)**

10 39. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully
11 set forth herein.

12 40. Labor Code § 227.3 requires employers to pay all vacation time owed
13 upon termination of employment. Defendant failed to provide or pay Plaintiffs
14 and Class members for vested vacation time in accordance with section 227.3.

15 41. Plaintiffs and Class members were not paid their vacation time,
16 because Defendant deducted it from their commission. Plaintiffs and Class
17 members were denied vested vacation pay, and were not provided it when they
18 ceased employment.

19 42. As a direct and proximate result of Defendant's wrongful conduct,
20 Plaintiffs and Class members have been deprived of compensation in amounts to
21 be determined at trial.

22 **THIRD CAUSE OF ACTION**
23 **UNLAWFUL FAILURE TO PROVIDE REST PERIODS**
24 **(Violation of Labor Code §§ 226.7, 512, and 1194; IWC Wage Order No.**
25 **4-2001, §12)**

26 43. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully
27 set forth herein.

28 44. California Labor Code § 226.7(a) provides, "No employer shall
require any employee to work during any meal or rest period mandated by an
applicable order of the Industrial Welfare Commission."

1 45. IWC Order No.4-2001(12)(A) provides, in relevant part: “Every
2 employer shall authorize and permit all employees to take rest periods, which
3 insofar as practicable shall be in the middle of each work period. The authorized
4 rest period time shall be based on the total hours worked daily at the rate of ten
5 (10) minutes net rest time per four hours or major fraction thereof. However, a
6 rest period need not be authorized for employees whose total daily work times is
7 less than three and one-half hours. Authorized rest period time shall be counted as
8 hours worked for which there shall be no deduction from wages.”

9 46. IWC Order No. 4-2001 (12)(B) further provides, “If an employer fails
10 to provide an employee with a rest period in accordance with the applicable
11 provisions of this order, the employer shall pay the employee one (1) hour of pay
12 at the employee’s regular rate of compensation for each workday that the rest
13 period is not provided.”

14 47. As alleged herein, Defendant failed to pay rest breaks during the Class
15 period. Defendant paid Plaintiffs and class members based on a commission, and
16 did not separately compensate them for their time.

17 48. By their actions, Defendant violated § 12 of IWC Wage Order No. 4-
18 2001 and California Labor Code § 226.7, and are liable to Plaintiffs and the Class.

19 49. Defendant’s unlawful conduct alleged herein occurred in the course of
20 employment of Plaintiffs and all others similarly situated and such conduct has
21 continued through the filing of this complaint.

22 50. As a direct and proximate result of Defendant’s unlawful action,
23 Plaintiffs and the Class have been deprived of timely rest periods and/or were not
24 paid for rest periods taking during the Class period, and are entitled to recovery under
25 Labor Code § 226.7(b) in the amount of one additional hour of pay at the employee’s
26 regular rate of compensation for each work period during each day in which
27 Defendant failed to provide employees with timely and/or paid rest periods.
28

FOURTH CAUSE OF ACTION
REPRESENTATIVE CLAIM PRIVATE ATTORNEY GENERAL ACT
(Violation of California's Labor Code §§ 2698 *et seq.*)
(Against All Defendants)

51. Plaintiffs re-allege and incorporate by reference, the preceding paragraphs of this Complaint, as though fully set forth herein.

52. The claims alleged herein are appropriately suited for a Labor Code Private Attorneys General Act of 2004 ("PAGA") action because:

- a. Pursuant to California Labor Code § 2699(a), any provision of the *Labor Code* "that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the procedures specified in section 2699.3."
- b. This action involves allegations of violations of provisions of the California Labor Code that provide or do not provide for a civil penalty to be assessed and collected by the LWDA or any departments, divisions, commissions, boards, agencies, or employees.
- c. Plaintiffs are an "aggrieved employee" because they were employed by the alleged violators and had one or more of the alleged violations committed against them.
- d. Plaintiffs satisfied the procedural requirements of section 2699.3 by serving, via certified mail, the LWDA and Defendants with notice for wage and hour violations and penalties, including the facts and theories to support each violation. More than 65 days have passed since Plaintiff Moses served via certified mail to LWDA and his former employer. Therefore, Plaintiffs satisfied all the administrative requirements to pursue

1 civil penalties against Defendants pursuant to *Labor Code* section 2698 *et*
2 *seq.*

3 53. Plaintiffs filed this cause of action pursuant to *Labor Code* section
4 2699(a) and (f), on behalf of themselves and all other current and former aggrieved
5 employees of Defendants to recover civil penalties. Said civil penalties include
6 unpaid wages which are to be paid to the affected employees pursuant to *Labor Code*
7 section 558 subdivisions (a)(1) and (a)(3).

8 54. Defendants, including the Doe defendants, were Plaintiffs' employers
9 or persons acting on behalf of Plaintiffs' employer, within the meaning of California
10 Labor Code § 558, who violated or caused to be violated, a section of Part 2, Chapter
11 1 of the California Labor Code or any provision regulating hours and days of work
12 in any order of the Industrial Welfare Commission and, as such, are subject to
13 penalties for each underpaid employee, as set forth in Labor Code § 558, at all
14 relevant times

15 55. Plaintiffs, on behalf of themselves and all other non-exempt employees
16 of Defendants, seek to recover all applicable civil penalties under PAGA including,
17 but not limited to, all unpaid and/or underpaid wages.

18 **FIFTH CAUSE OF ACTION**
19 **FAILURE TO PAY ALL WAGES DUE AT SEPARATION**
20 **(Violation of Labor Code § 203)**

21 56. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully
22 set forth herein.

23 57. California Labor Code §§ 201 and 202 requires Defendant to pay all
24 compensation due and owing to former mortgage salespersons at or around the
25 time employment is terminated. Section 203 of the California Labor Code
26 provides that if an employer willfully fails to pay compensation promptly upon
27 discharge or resignation, as required by §§ 201 and 202, then the employer is
28 liable for penalties in the form of continued compensation up to thirty (30) work

1 days.

2 58. At all times relevant during the liability period, Plaintiffs and the other
3 members of the Class were employees of Defendant covered by Labor Code §
4 203.

5 59. Plaintiffs and the Class were not paid for their work performed, as set
6 forth herein, including minimum wage for non-sales time, overtime pay, vacation
7 pay, or their proper commission for certain loans.

8 60. Defendant willfully failed to pay Plaintiffs and other members of the
9 Class who are no longer employed by Defendant for their uncompensated hours,
10 uncompensated overtime, and for other items alleged herein upon their
11 termination or separation from employment with Defendant as required by
12 California Labor Code §§ 201 and 202. As a result, Defendant is liable to
13 Plaintiffs and other members of the Class who are no longer employed by
14 Defendant for all wages or compensation owed, as well as waiting time penalties
15 amounting to thirty days wages for Plaintiffs and each such Class member
16 pursuant to California Labor Code § 203.

17 **SIXTH CAUSE OF ACTION**
18 **VIOLATION OF CALIFORNIA'S UNFAIR COMPETITION ACT**
19 **(Violation of California's Unfair Competition Law, Bus. & Prof. Code §§**
20 **17200 *et seq.*)**

21 61. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully
22 set forth herein.

23 62. Section 17200 of the California Business and Professions Code (the
24 "UCL") prohibits any unlawful, unfair, or fraudulent business practices.

25 63. Through its actions alleged herein, Defendant has engaged in unfair
26 competition within the meaning of the UCL. Defendant's conduct, as alleged
27 herein, constitutes unlawful, unfair, and/or fraudulent business practices under the
28 UCL.

64. Defendant's unlawful conduct under the UCL includes, but is not limited to, violating the statutes and regulations alleged herein; failure to pay Class members wages and compensation they earned through labor provided; violating California Labor Code § 204 and employees fundamental right to be paid wages in a timely fashion for their work; and failing to otherwise compensate Class members, as alleged herein. Defendant's fraudulent conduct includes, but is not limited to, issuing wage statements containing false and/or misleading information about the amount of wages or compensation due.

65. Plaintiffs has standing to assert this claim because she has suffered injury in fact and has lost money as a result of Defendant's conduct.

66. Plaintiffs and the Class seek restitutionary disgorgement from Defendant, and an injunction prohibiting them from engaging in the unlawful, unfair, and/or fraudulent conduct alleged herein.

PRA YER

WHEREFORE, Plaintiffs, on behalf of themselves and all others similarly situated and also on behalf of the general public, pray for judgment against Defendant as follows:

- A. An order that this action may proceed and be maintained as a class action;
- B. For all unpaid minimum wages and liquidated damages due to Plaintiffs and each Class member on their minimum wage claim
- C. For all unpaid vacation pay or paid time off due to Plaintiffs and each Class member on their vacation wage claim;
- D. For all applicable statutory penalties under the Labor Code;
- E. For restitutionary disgorgement pursuant to the UCL;
- F. An order enjoining Defendant from further unfair and unlawful business practices in violation of the UCL;
- G. Prejudgment interest at the maximum legal rate;

1 H. Reasonable attorneys' fees;

2 I. Accounting of Defendant's records for the liability period;

3 J. General, special and consequential damages, to the extent allowed by
4 law;

5 K. Costs of suit; and

6 L. Such other relief as the Court may deem just and proper.
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9 DATED: February 26, 2019

HAFFNER LAW PC

10 By: /s/ Joshua H. Haffner
11 Joshua H. Haffner
12 Attorneys for Plaintiffs James C. Kang,
13 Michael Moses and the Certified Class
14

15 DATED: February 26, 2019

STEVENS LC

16
17 By: /s/ Paul D. Stevens
18 Paul D. Stevens
19 Attorneys for Plaintiffs James C. Kang,
20 Michael Moses and the Certified Class
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DEMAND FOR JURY TRIAL

Plaintiffs demand a trial by jury for herself and the Class members on all claims so triable.

DATED: February 26, 2019

HAFFNER LAW PC

By: /s/ Joshua H. Haffner
Joshua H. Haffner
Attorneys for Plaintiffs James C. Kang,
Michael Moses and the Certified Class

DATED: February 26, 2019

STEVENS LC

By: /s/ Paul D. Stevens
Paul D. Stevens
Attorneys for Plaintiffs James C. Kang,
Michael Moses and the Certified Class